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November 1, 2021

The Honorable Charles P. Rettig Commissioner Internal Revenue Service 1111 Constitution Avenue, NW Washington, DC 20224

Dear Commissioner Rettig:

On April 11, 2021, and again on July 1, 2021, we wrote to you regarding our concerns about the rushed effort to create a brand-new Child Tax Credit (CTC) online portal in record time. While the idea of a monthly advance credit was being debated in Congress, we were told by IRS employees that it would likely take the agency 12-18 months to successfully standup a new portal. Instead, the IRS proceeded to open the portal within just a matter of months. The results of a rushed IRS process have led to numerous glitches and massive frustration for taxpayers. Lawmakers and our constituents deserve answers, especially as there are efforts in Congress to extend this troubled program. The problems have become so bad, that the White House and the Treasury Department are now promoting a non-IRS portal created by Code for America and are disregarding or ignoring the IRS portal.

We wrote in our July 1, 2021, letter that "[t]his rushed portal will lead to major headaches for American families." The monthly CTC implementation problems should be apparent to you, but we understand them to include the following:

- August Payments: Approximately 4 million taxpayers who received a CTC payment via direct deposit in July were sent a paper check in August due to a programming glitch. This has led to numerous problems with individuals not receiving the paper checks. Naturally, these individuals expected payments to continue to arrive via direct deposit and would have had no reason to proactively update address information.
- <u>September Payments:</u> The IRS announced that it had resolved a "technical issue" that caused "fewer than 2%" of CTC recipients not to receive their September payment. While this statement is framed as if it is a small issue, the IRS stated that about 35 million families received payments. Two percent of 35 million equals about 700,000 families. That is not a small problem.

Portal Functionality: On September 1, 2021, without any advance notice to Congress of which we are aware, the Treasury Department announced that it would encourage people to use a CTC portal designed by Code for America. This suggests that the White House and the Treasury Department do not think the IRS CTC portal is sufficient to accomplish the goals of the expanded, monthly CTC tax credit.

Our offices have received numerous calls about these problems and of course the IRS remains unable to provide timely customer service to resolve these problems. Given these headaches for taxpayers, please provide answers to the following questions:

- 1. What is the IRS doing to make sure that taxpayers caught up in these glitches can get the customer service response they need to receive their payments in a timely manner?
- 2. What is the current call volume the IRS is receiving on CTC related problems? What is the level of customer service for these call lines?
- 3. When did you learn that the White House and the Treasury Department would start promoting an external CTC portal rather than the IRS portal?
- 4. Are you concerned that taxpayers will be confused by the government promoting multiple portals related to CTC?

We are very concerned about the rushed nature of this process and the frustration it has caused taxpayers. Please provide answers to these questions by November 15, 2021.

Sincerely,

KÉVIN BRADY Ranking Member

Committee on Ways and Means

MIKE KELLY

Ranking Member

Ways & Means Oversight Subcommittee